

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_  
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT REDUCING THE SHORTFALL IN GENERAL FUND REVENUE BY  
5 ELIMINATING THE STATUTORY APPROPRIATION OF RESOURCE INDEMNITY TRUST FUND INTEREST  
6 INCOME TO THE ENVIRONMENTAL SCIENCE-WATER QUALITY INSTRUCTIONAL PROGRAMS AT  
7 MONTANA STATE UNIVERSITY-NORTHERN; DEPOSITING THE AMOUNT FORMERLY STATUTORILY  
8 APPROPRIATED TO THE PROGRAMS IN THE STATE GENERAL FUND; AMENDING SECTIONS 15-38-202  
9 AND 17-7-502, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE  
10 APPLICABILITY DATE."

11

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13

14 **Section 1.** Section 15-38-202, MCA, is amended to read:

15 **"15-38-202. (Temporary) Investment of resource indemnity trust fund -- expenditure -- minimum**  
16 **balance.** (1) All money paid into the resource indemnity trust fund, including money payable into the fund under  
17 the provisions of 15-36-324 and 15-37-117, must be invested at the discretion of the board of investments. Only  
18 the net earnings, excluding unrealized gains and losses, may be appropriated and expended until the fund  
19 balance, excluding unrealized gains and losses, reaches \$100 million. Thereafter, all net earnings, excluding  
20 unrealized gains and losses, and all receipts may be appropriated by the legislature and expended, provided  
21 that the fund balance, excluding unrealized gains and losses, may never be less than \$100 million.

22 (2) (a) At the beginning of each fiscal year, there is allocated from the interest income of the resource  
23 indemnity trust fund:

24 (i) ~~\$240,000, which is statutorily appropriated, as provided in 17-7-502, to be deposited into the~~  
25 ~~renewable resource grant and loan program state special revenue account to support the operations of the~~  
26 ~~environmental science-water quality instructional programs at Montana state university-northern, to be used for~~  
27 ~~support costs, for matching funds necessary to attract additional funds to further expand statewide impact, and~~  
28 ~~for enhancement of the facilities related to the programs~~ state general fund. Any amount of the appropriation  
29 allocation in this subsection (2)(a)(i) that is ~~not~~ pledged to repay bonds issued prior to January 1, 1999, may be  
30 ~~deposited in a permanent fund account, the income from which may be used for the purposes provided in this~~

1 ~~subsection~~ used for that purpose.

2 (ii) \$2 million to be deposited into the renewable resource grant and loan program state special revenue  
3 account, created by 85-1-604, for the purpose of making grants;

4 (iii) \$1.5 million to be deposited into the reclamation and development grants special revenue account,  
5 created by 90-2-1104, for the purpose of making grants;

6 (iv) \$300,000 to be deposited into the ground water assessment account created by 85-2-905; and

7 (v) \$500,000 to the department of fish, wildlife, and parks for the purposes of 87-1-283. The future  
8 fisheries review panel shall approve and fund qualified mineral reclamation projects before other types of  
9 qualified projects.

10 (b) At the beginning of each biennium, there is allocated from the interest income of the resource  
11 indemnity trust fund:

12 (i) an amount not to exceed \$175,000 to the environmental contingency account pursuant to the  
13 conditions of 75-1-1101;

14 (ii) an amount not to exceed \$50,000 to the oil and gas production damage mitigation account pursuant  
15 to the conditions of 82-11-161; and

16 (iii) \$500,000 to be deposited into the water storage state special revenue account created by 85-1-631.

17 (c) The remainder of the interest income is allocated as follows:

18 (i) Thirty percent of the interest income of the resource indemnity trust fund must be allocated to the  
19 renewable resource grant and loan program state special revenue account created by 85-1-604.

20 (ii) Twenty-six percent of the interest income of the resource indemnity trust fund must be allocated to  
21 the hazardous waste/CERCLA special revenue account provided for in 75-10-621.

22 (iii) Thirty-five percent of the interest income from the resource indemnity trust fund must be allocated  
23 to the reclamation and development grants account provided for in 90-2-1104.

24 (iv) Nine percent of the interest income of the resource indemnity trust fund must be allocated to the  
25 environmental quality protection fund provided for in 75-10-704.

26 (3) Any formal budget document prepared by the legislature or the executive branch that proposes to  
27 appropriate funds other than as provided for by the allocations in subsection (2) must specify the amount of  
28 money from each allocation that is proposed to be diverted and the proposed use of the diverted funds. A formal  
29 budget document includes a printed and publicly distributed budget proposal or recommendation, an introduced  
30 bill, or a bill developed during the legislative appropriation process or otherwise during a legislative session.

1 (Terminates July 1, 2009--sec. 9, Ch. 529, L. 1999.)

2 **15-38-202. (Effective July 1, 2009) Investment of resource indemnity trust fund -- expenditure --**

3 **minimum balance.** (1) All money paid into the resource indemnity trust fund, including money payable into the  
4 fund under the provisions of 15-36-324 and 15-37-117, must be invested at the discretion of the board of  
5 investments. Only the net earnings, excluding unrealized gains and losses, may be appropriated and expended  
6 until the fund balance, excluding unrealized gains and losses, reaches \$100 million. Thereafter, all net earnings,  
7 excluding unrealized gains and losses, and all receipts may be appropriated by the legislature and expended,  
8 provided that the fund balance, excluding unrealized gains and losses, may never be less than \$100 million.

9 (2) (a) At the beginning of each fiscal year, there is allocated from the interest income of the resource  
10 indemnity trust fund:

11 (i) ~~\$240,000, which is statutorily appropriated, as provided in 17-7-502, to be deposited into the~~  
12 ~~renewable resource grant and loan program state special revenue account to support the operations of the~~  
13 ~~environmental science-water quality instructional programs at Montana state university-northern, to be used for~~  
14 ~~support costs, for matching funds necessary to attract additional funds to further expand statewide impact, and~~  
15 ~~for enhancement of the facilities related to the programs~~ state general fund. Any amount of the appropriation  
16 allocation in this subsection (2)(a)(i) that is ~~not~~ pledged to repay bonds issued prior to January 1, 1999, may be  
17 ~~deposited in a permanent fund account, the income from which may be used for the purposes provided in this~~  
18 ~~subsection used for that purpose.~~

19 (ii) \$2 million to be deposited into the renewable resource grant and loan program state special revenue  
20 account, created by 85-1-604, for the purpose of making grants;

21 (iii) \$1.5 million to be deposited into the reclamation and development grants special revenue account,  
22 created by 90-2-1104, for the purpose of making grants; and

23 (iv) \$300,000 to be deposited into the ground water assessment account created by 85-2-905.

24 (b) At the beginning of each biennium, there is allocated from the interest income of the resource  
25 indemnity trust fund:

26 (i) an amount not to exceed \$175,000 to the environmental contingency account pursuant to the  
27 conditions of 75-1-1101;

28 (ii) an amount not to exceed \$50,000 to the oil and gas production damage mitigation account pursuant  
29 to the conditions of 82-11-161; and

30 (iii) \$500,000 to be deposited into the water storage state special revenue account created by 85-1-631.

(c) The remainder of the interest income is allocated as follows:

(i) Thirty percent of the interest income of the resource indemnity trust fund must be allocated to the renewable resource grant and loan program state special revenue account created by 85-1-604.

(ii) Twenty-six percent of the interest income of the resource indemnity trust fund must be allocated to the hazardous waste/CERCLA special revenue account provided for in 75-10-621.

(iii) Thirty-five percent of the interest income from the resource indemnity trust fund must be allocated to the reclamation and development grants account provided for in 90-2-1104.

(iv) Nine percent of the interest income of the resource indemnity trust fund must be allocated to the environmental quality protection fund provided for in 75-10-704.

(3) Any formal budget document prepared by the legislature or the executive branch that proposes to appropriate funds other than as provided for by the allocations in subsection (2) must specify the amount of money from each allocation that is proposed to be diverted and the proposed use of the diverted funds. A formal budget document includes a printed and publicly distributed budget proposal or recommendation, an introduced bill, or a bill developed during the legislative appropriation process or otherwise during a legislative session. (Terminates June 30, 2014--sec. 5, Ch. 497, L. 1999.)

**15-38-202. (Effective July 1, 2014) Investment of resource indemnity trust fund -- expenditure -- minimum balance.** (1) All money paid into the resource indemnity trust fund, including money payable into the fund under the provisions of 15-36-324 and 15-37-117, must be invested at the discretion of the board of investments. Only the net earnings, excluding unrealized gains and losses, may be appropriated and expended until the fund balance, excluding unrealized gains and losses, reaches \$100 million. Thereafter, all net earnings, excluding unrealized gains and losses, and all receipts may be appropriated by the legislature and expended, provided that the fund balance, excluding unrealized gains and losses, may never be less than \$100 million.

(2) (a) At the beginning of each fiscal year, there is allocated from the interest income of the resource indemnity trust fund:

(i) \$2 million to be deposited into the renewable resource grant and loan program state special revenue account, created by 85-1-604, for the purpose of making grants;

(ii) \$1.5 million to be deposited into the reclamation and development grants special revenue account, created by 90-2-1104, for the purpose of making grants; and

(iii) \$300,000 to be deposited into the ground water assessment account created by 85-2-905.

(b) At the beginning of each biennium, there is allocated from the interest income of the resource

1 indemnity trust fund:

2 (i) an amount not to exceed \$175,000 to the environmental contingency account pursuant to the  
3 conditions of 75-1-1101;

4 (ii) an amount not to exceed \$50,000 to the oil and gas production damage mitigation account pursuant  
5 to the conditions of 82-11-161; and

6 (iii) \$500,000 to be deposited into the water storage state special revenue account created by 85-1-631.

7 (c) The remainder of the interest income is allocated as follows:

8 (i) Thirty percent of the interest income of the resource indemnity trust fund must be allocated to the  
9 renewable resource grant and loan program state special revenue account created by 85-1-604.

10 (ii) Twenty-six percent of the interest income of the resource indemnity trust fund must be allocated to  
11 the hazardous waste/CERCLA special revenue account provided for in 75-10-621.

12 (iii) Thirty-five percent of the interest income from the resource indemnity trust fund must be allocated  
13 to the reclamation and development grants account provided for in 90-2-1104.

14 (iv) Nine percent of the interest income of the resource indemnity trust fund must be allocated to the  
15 environmental quality protection fund provided for in 75-10-704.

16 (3) Any formal budget document prepared by the legislature or the executive branch that proposes to  
17 appropriate funds other than as provided for by the allocations in subsection (2) must specify the amount of  
18 money from each allocation that is proposed to be diverted and the proposed use of the diverted funds. A formal  
19 budget document includes a printed and publicly distributed budget proposal or recommendation, an introduced  
20 bill, or a bill developed during the legislative appropriation process or otherwise during a legislative session."

21

22 **Section 2.** Section 17-7-502, MCA, is amended to read:

23 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory  
24 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without  
25 the need for a biennial legislative appropriation or budget amendment.

26 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both  
27 of the following provisions:

28 (a) The law containing the statutory authority must be listed in subsection (3).

29 (b) The law or portion of the law making a statutory appropriation must specifically state that a statutory  
30 appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-15-151; 2-17-105; 5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-1-113; 15-1-121; 15-23-706; 15-35-108; 15-36-324; 15-37-117; ~~15-38-202~~; 15-65-121; 15-70-101; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-304; 18-11-112; 19-3-319; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 20-8-107; 20-9-534; 20-26-1503; 22-3-1004; 23-5-136; 23-5-306; 23-5-409; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 42-2-105; 44-12-206; 44-13-102; 50-4-623; 53-6-703; 53-24-206; 69-8-702; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 80-2-222; 80-4-416; 80-5-510; 80-11-518; 82-11-161; 87-1-513; 90-3-1003; 90-6-710; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to Ch. 422, L. 1997, the inclusion of 15-1-111 terminates on July 1, 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1, 2014; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, the inclusion of 15-35-108 and 90-6-710 terminates June 30, 2005; pursuant to sec. 17, Ch. 414, L. 2001, the inclusion of 2-15-151 terminates December 31, 2006; and pursuant to sec. 2, Ch. 594, L. 2001, the inclusion of 17-3-241 becomes effective July 1, 2003.)"

**NEW SECTION.** **Section 3. Effective date -- retroactive applicability.** [This act] is effective on passage and approval and applies retroactively, within the meaning of 1-2-109, to fiscal years beginning after June 30, 2002.

- END -